



GARY R. HERBERT  
Governor

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Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

May 13, 2015

CERTIFIED RETURN RECEIPT  
7013 3020 0002 3659 5484

Andre Zeitoun  
Applied Minerals Inc.  
110 Green Street, Suite 1101  
New York City, New York 10012

Eric Nedreberg  
Applied Minerals Inc.  
1200 Silver City Road  
P.O. Box 432  
Eureka, Utah 84628

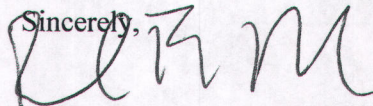
Subject: Five-Year Review of Reclamation Surety, Applied Minerals, Dragon Mine, M/023/0080, Juab County, Utah

Dear Messrs. Zeitoun and Nedreberg:

The last reclamation cost estimate for the Dragon Mine was done in 2014 and escalated to 2015-year dollars. The reclamation cost estimate is part of the Notice of Intention to Commence Large Mining Operations.

Please update the unit costs for 2015 and escalate the amounts by 1.2% for five years (2020). When these calculations have been completed, please submit them to the Division for review. **Please submit the cost estimate no later than July 1, 2015.** It will likely be necessary to adjust the reclamation surety amount after the calculations have been reviewed.

Thank you for your help in keeping the surety current. Please contact Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions concerning this letter.

Sincerely,  
  
Paul B. Baker  
Mining Program Manager

PBB:whw:pb  
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